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JPRS L/8436

3 May 1979

TRANSLATIONS ON JAPAN
(FOUO 15/79)

ASIA

U. S. JOINT PUBLICATIONS RESEARCH SERVICE

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POLITICAL AND SOCIOLOGICAL

AKAHATA' COMMENTARY CRITICIZES U.S -PRC RELATIONS

Tokyo JPS in English 0416 GMT 21 Apr 79 OW

[Text] Tokyo, 21 Apr (JPS)--WASHINGTON POST reported on April 20 that Chinese Vice Premier Deng Xiaoping in his meeting with the delegation of the U.S. Senate Foreign Relations Committee said China would approve the construction of U.S. telecommunication facilities.

The April 31 issue of AKAHATA carried the following commentary on this report (gist).

"If the report is right, China will actually approve U.S. military facilities. This report is worth drawing our attention. These telecommunication facilities--will naturally have military features. The fact that China is about to approve the construction of these facilities suggests that the relationship between China and the U.S. is also closely linked with quasi-military affairs.

"Deng's remarks are also worth drawing our attention in the sense that Vice Premier Deng refrained from making fundamental criticism of actual continuation of the U.S. policy, "one China and one Taiwan," but that Deng made reserved remarks on the conventional continuation of U.S.-Taiwan military relations, the conventional continuation which is reflected in a new U.S. Taiwan act. Deng's remarks also provide evidence that China has an unprincipled rapprochement with the U.S."

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POLITICAL AND SOCIOLOGICAL

'AKAHATA' DESCRIBES SIGNIFICANCE OF JCP-CPSU AGREEMENT

Tokyo JPS in English 0930 GMT 16 Apr 79 OW

[Text] Tokyo, 16 Apr (JPS)--AKAHATA carried an editorial on April 16, entitled "The Great Significance of Agreement Between the Japanese Communist Party and the Communist Party of the Soviet Union."

The editorial said that in the agreement reached in the preliminary talks between the JCP and the CPSU held in Moscow on April 11-12, and made public on April 15, the Soviet side states that "all maneuvers done in the name of the communist movement, by ex-JCP members or by groups of various sorts, are manifestations of anti-party activities, whatever flag they may carry or whatever excuse they may create, and that the Soviet side will not have any relation at all with activities of those groups."

"Needless to say, the Shiga clique is included in the 'ex-JCP members or groups of various sorts' mentioned in the agreement. This agreement goes further to say that 'the Japanese side especially gave an affirmative estimation to the constructive position expressed by the representatives of the Communist Party of the Soviet Union in the Tokyo preliminary talks on the problem of the past relationship between the two parties.' As was made clear in the Nishizawa (JCP vice-presidium chairman--ed) statement in March, the JCP 'estimated' the Soviet statement in the preliminary talks that the Soviet side 'will not justify the past publication of articles in PRAVDA supporting the Shiga clique, and that was not correct....' This eventually carried a realistic meaning [as received] at the conclusion of these preliminary talks.

"Viewing this point reflect in the agreement, it is plainly indicated that the position of the Shiga clique, who subverted democratic centralism--the organizational principle of the Communist Party--was naturally expelled from the JCP for violation of the party constitution, and has been spending their days in raising troubles in the revolutionary movement in Japan, by making obeisance to foreign forces their duty, do not get any support in Japan, and internationally as well. [Graf as received]

"This is entirely pertinent, looking at it from the standpoint that the relations between each Communist Party must be established on the principles of

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independence, equal rights, and non-interference in each other's internal affairs. But in the past 15 years, in connection with the complete clarification of the past problems which wrecked the relations between the two parties, it holds the great historic significance that such point is made clear in the present agreement of both parties.

"Taking this basic position, the Moscow preliminary talks agreed to continue discussions on preparations for the coming official talks between the two parties. From the basic position of opposing imperialism and reaction, defending world peace, democracy, and the rights of self-determination of nations, and working for the social progress, and also from the position of genuine friendship between the peoples of Japan and the Soviet Union, the JCP will sincerely work hard for preparing for the official talks between the two parties.

"As the party of self-reliance and independence, responsible to the Japanese working class and working people, the Japanese Communist Party has resolutely rejected all interferences from outside, and the anti-communist party activities of the blind followers of foreign forces, and at the same time worked hard to develop international solidarity on common tasks agreed upon from the cause of anti-imperialism, peace, democracy, and social progress.

"From this consistent basic position, we are glad that both parties' vigorously sustained efforts have solved the past problem in a correct and principled way, in accordance with the correct way of being of today's international communist movement. [as received] We confirm that in the light of the present situation of the international communist movement, this holds great significance for the development of friendly relations between the Japanese Communist Party and the Communist Party of the Soviet Union, and internationally as well."

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POLITICAL AND SOCIOLOGICAL

'YOMIURI' WELCOMES CARTER ENERGY POLICY AS 'APPROPRIATE DECISION'

Tokyo THE DAILY YOMIURI in English 8 Apr 79 p 2 OW

[Editorial: "Carter's Energy Policy"]

[Text] President Carter has announced a new energy policy in which the price ceilings on U.S.-produced crude oil will be gradually lifted from June 1 to allow them to approach international levels by the end of September 1981, and about half of the windfall profits to be gained by the oil companies will be sopped up by a tax.

This new policy, which over the long run will curb domestic demand in the U.S. and help reduce crude oil imports, is to be welcomed by Japan.

Many energy experts have argued that only a return to a free market would prove effective in curbing demand and increasing the supply of domestically produced oil. The new policy effectively acknowledges this.

Carter failed in an attempt to impose a tax on domestically produced oil last October because of strong opposition from congress and the oil industry.

Stimulating New Production

In his new energy blueprint, Carter proposes to take only half of the increased revenues in tax, though it is the business of congress to determine tax ratios.

Carter apparently aims at stimulating the oil industry to explore for new oil resources and to increase oil production.

His previous surcharge on domestically produced oil was criticized as being aimed at only curbing demand, doing nothing for expanding supply.

In the case of natural gas, whose price was lifted by last October's energy act, supply is now abundant, indicating that the same may be the case for oil.

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As regards the demand for oil, this depends on the price elasticity of oil products, which is low in the U.S. but considering that the price of domestically produced oil is as low as \$9 per barrel, compared with \$16 for imported oil, the effect of this policy is expected to be not too small.

Toward Global Energy Conservation

In Japan and West Europe, imports of crude oil have not yet even returned to the pre-Mideast war level. While the U.S. imports 8 million barrels of oil a day and consumes 7.4 million barrels of gasoline, Japan imports only 4 million barrels of crude oil.

Unless the U.S. reduces its oil imports somewhat, global energy conservation plans cannot be expected to function well.

The new policy introduced by Carter is expected to control the amount of imported oil eventually, though in the short run the reverse might be the case during the period when domestic prices are still rising to world levels.

This new policy is an appropriate decision to make if international conflicts over oil are to be avoided.

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JAPANESE REACTIONS TO CARTER'S NEW ENERGY POLICY

'MAINICHI' Comments

Tokyo MAINICHI DAILY NEWS in English 8 Apr 79 p 2 OW

[Editorial: "Carter on Energy Crisis"]

[Text] "The energy crisis is real. Time is running short."

This statement of President Carter most eloquently epitomizes the essence of his new energy policy calling on Americans to produce more oil and conserve more.

In his somber, 2,400-word-address, President Carter unveiled on April 5 the second major energy plan of his administration in the "stern manner of a Dutch uncle delivering a tough lecture" as a foreign dispatch commented.

Carter's decision should be considered a timely warning not only to his countrymen but also to Japan in view of the fact that oil consumption is steadily on the increase while oil producing countries are all lined up to raise their oil prices.

In his new plan, Carter announced that he is decontrolling oil prices as from June 1, so that domestic prices will rise to world levels by the autumn of 1981. The world price now is \$14.64, compared to the average U.S. price of \$9.60.

The United States legislated the oil price control in 1973 for the purpose of restraining inflation and conserving domestic oil resources, but the development of the situation in the meantime proved that the control has failed to serve the original purposes. Cheap domestic oil has only helped Americans to consume more while the oil development at home came to a standstill, resulting in increased imports of oil from abroad. Last year alone, the United States imported \$40 billion worth of oil, aggravating its international balance of payments position and accelerating inflationary trends.

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President Carter proposed in April 1977 a drastic "national energy plan" but the related energy bills were completely watered down in the course of a year and a half long deliberation in Congress and chances for restraining the import of oil were then lost.

Carter at the time wanted to promote development of oil resources at home and restrain consumption by raising the prices of domestically produced oil. His idea of raising prices by an equalization tax while maintaining price control to some extent was a total failure in face of the strong opposition raised by the producers who called for complete decontrol and consumers who were up against the price hike. Carter was attacked from both sides.

Carter invoked presidential authority in lifting the oil prices this time and it does not require the consent of the Congress. The prices of domestically produced oil will eventually go up and the oil industry will step up its efforts to develop new oil fields at home. As hoped by the U.S. Government, the decontrol may result in a decrease of oil imports, thus fulfilling part of the U.S. pledge made at the Bonn Summit last year.

There is no denying the fact also that the current measure entails many risks. To begin with, we must point out the possibility of worsening inflation. The U.S. Government estimates that gasoline will go up about 7 cents per gallon and that inflation will rise by about 0.1 percent this year, and 0.2 or 0.3 percent in the following years as a result of the decontrol. The same sources do not seem to be taking a serious view of the inflation elements.

However, it must be noted that one outstanding feature of the American economy is that everything goes up when the gasoline price is raised. Hence the official view of the U.S. Government is highly political.

Another problem is what to do with the "huge and undeserved windfall profits" the oil companies will reap from decontrol. Carter proposed a 50 percent windfall profits tax as a companion piece to decontrol, so that oil companies will not reap a bonanza of more than \$10 billion in higher prices by the end of 1982, as well as an energy security fund to aid low income families who would be hardest hit by higher prices under decontrol. The fund, he said, will be financed by the windfall profits tax. He also said such a tax bill will be used to develop alternative energy resources.

In the United States, about 55 percent of the total oil consumption is for the people's livelihood. With the presidential election scheduled for next year, we can read the strong determination of Carter in announcing the current step which is certain to hit the people's household economy.

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'ASAHI' Editorial Views

Tokyo ASAHI EVENING NEWS in English 9 Apr 79 p 2 OW

[Editorial]

[Text] U.S. President Carter has announced a new energy policy. As a systematized energy policy, the latest one is the second following the "national energy plan" unveiled in April 1977.

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The main pillars of the new policy are the following: (1) price controls on U.S.-produced petroleum will be abolished in stages in two years and four months starting from this June; (2) 50 percent of the profits of oil companies resulting from the price increase will be absorbed by a windfall profits tax and diverted to an "energy stabilization fund," and (3) the fund will be used to aid low-income families (average \$100 a year per household), for the construction of an efficient mass transportation system and the development of technology for a long-range solution to the energy problem.

President Carter has also devised various measures to economize on the consumption of petroleum. He wants states to set up programs to curb gasoline consumption. He warns that filling stations could be ordered to close on weekends in states that do not achieve certain goals. In connection with the nuclear power generation plant accident on Three Mile Island, Penna., he has ordered the establishment of a presidential committee to determine the causes of the accident and recommend safety measures.

The five national energy bills which President Carter presented to the U.S. Congress in 1977 underwent rough sailing for a year and a half. They were finally approved by Congress last October but without the crucial bills forming the core of the policy, such as those on the crude oil equalization tax, the petroleum and gas utilization tax and the emergency gasoline consumption tax. The outstanding feature of the latest policy is that it has made use of that bitter lesson and has been given a realistic facelift.

Ever since the so-called oil shock, the U.S. had made frantic ineffective policy efforts to step up its supply of domestic energy sources, economize on consumption and reduce imports of crude oil. Among these endeavors were the "energy self-supporting plan" of the Nixon administration and the "energy policy and conservation law" of the Ford government. The results of these measures have been almost invisible, and the country's reliance on imported petroleum continues to grow. As pledged at the Bonn summit, America's oil imports last year, in terms of the annual total volume, decreased a little. However, they rose sharply again from around November, and according to President Carter in his address, the country will import \$50 billion worth of petroleum this year.

The U.S. is the world's foremost energy-consuming and top petroleum-importing nation. Whether Americans can conserve petroleum and curb imports will greatly affect the international energy and currency situation. But if oil imports continue to expand the economic situation of the whole world is liable to be exposed to uneasiness forever. In this context, success or failure of the U.S. energy policy is a matter of great concern to us.

A fact that is particularly important is that in America, domestic petroleum production and natural gas output hit the ceiling respectively in 1970 and 1972. If the consumption of energy rises four percent a year as a result, the burden will fall almost in its entirety on petroleum imports, making it inevitable for imports to increase by 20 percent. The big task is how to promote the development and increased production of domestic energy sources.

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Furthermore, because of controls on domestic petroleum prices since the oil shock, the U.S. Government has been seeking ways to adjust the difference with imported petroleum prices. The oil companies strongly opposed the bill for the crude oil equalization tax which was shelved last year because it would want half of the profits generated by decontrol to be handed over to the government as tax. Opposition of the petroleum industry is not expected to be as strong as last year.

However, so long as decontrol pushes up petroleum prices, fears of inflation will remain deeply rooted, and opposition on the part of the consumers is expected to become quite strong. On the other hand, if the policy proves effective and the value of the dollar increases, the policy has the advantage of curbing inflation. From the viewpoint of the difficult environment both at home and abroad in which the U.S. is placed at present, the Carter policy is believed quite reasonable. We look forward to seeing how Congress handles the matter.

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JCP STATEMENT DENOUNCES PRC FOR ABROGATING TREATY WITH USSR

Tokyo JPS in English 0914 GMT 5 Apr 79 OW

[Text] Tokyo, 5 Apr (JPS)--Horishi Tachiki, acting chairman of the international relations and foreign policy commission of the Japanese Communist Party, issued a statement on April 3, on China's decision and notification to the Soviet Union of the abrogation of the Sino-Soviet treaty for friendship, alliance and mutual aid on the same day. The statement said:

1. Although the Sino-Soviet friendship alliance treaty has been a treaty in name only, the abrogation of it is clearly motivated by China's strategy against the Soviet Union, not merely a matter of form. It is a paradox in history that China now recognizes the Japan-U.S. military alliance, and is taking steps toward a relationship which has been observed to be a quasi-military alliance between the United States, Japan and China.
2. Needless to reiterate, China's attitude to approve the imperialist military alliance hostile to socialism and national liberation movements is connected with its deviation from the socialist cause, which constitute the same root as the one of its aggression against Vietnam.

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'AGE OF LOCALISM' CALLED A 'MIRAGE'

Tokyo MAINICHI DAILY NEWS in English 17 Apr 79 p 4

[Zooming]-in column by Hideo Matsuoka: "Who Says 'Age of Localism?'"

[Text]

Whoever started saying it, the "Age of Localism" must have been a phrase designed to arouse in individual citizens a sense of participation in their local governments at a time when the recent local elections were coming up. It could have been devised to titillate voter pride. When the voting was over, it became clear that the phrase was a mirage, with the voters remaining rather turned off from the election.

Voter turnouts hit their lowest level in many prefectures. In most other prefectures, the turnouts were near the worst in the past.

Most gubernatorial candidates bandied about such slogans as "Creation of an Affluent and Pleasant Local Community" and "Design of Pollution-Free Garden Cities." I was genuinely surprised that they had practically nothing else to say. The similarity of slogans means voting for one is not substantially different from voting for another. The loss of significance in voter decision must have discouraged many voters from making a trip to the polling booths. They felt that they might as well leave the choice to others because the choice did not mean much. The result was a climb in abstention rates.

Whatever grand promises gubernatorial candidates may make, the voters know a prefecture is about "30 percent self-governing." The "Age of Localism" sounds hollow. The sense of voter participation in local administrations can be real if, as in America's states, the citizens can vote a cut in the real estate tax or if a tax increase requires two-thirds of votes in the local assembly. That means a more direct voter participation democracy in local administration.

Local elections cannot be heated up when the voters know what they are electing is a minor part of the gigantic central government. In recent years, candidates for governors stopped emphasizing their connection with the central government. This is simply because such boasts no longer go over well with the voters, and does not mean an increased degree of self-government in local administrations.

The importance for governors to have connections at right places in the central government is evidenced by in the advance into the gubernatorial elections of former bureaucrats of the defunct Ministry of the Interior and the present Ministry of Home Affairs. In-

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cluding the seven elected in the latest election, the prefectural governors who were formerly bureaucrats of either the Ministry of the Interior or the Home Affairs Ministry now total 19 or 40 percent of all governors. If the "Age of Localism" was meant to stress the domination of local administration by former bureaucrats of the Interior or Home Affairs Ministry, it could not be more appropriate or timely.

Career Elitists

Time was when career elitists of the Ministry of the Interior took it for granted that they would end up being appointed a prefectural governor. Unanimously the graduates of the Tokyo University Law School who won high scores in the administrative sector of the civil service examination, the chosen elite, would enter upon a civil service career either with the Ministry of the Interior or the Ministry of Finance. The choice was up to personal taste and interest. The postwar dissolution of the Ministry of the Interior left only one career choice for the elite-to-be: the Finance Ministry.

In recent years, however, it is said that the Home Affairs Ministry, a born-again Ministry of the Interior, has grown sufficiently to rival the Ministry of Finance in attracting the elite-to-be university graduates. I had been totally ignorant about it, but it is a solid fact today that the Finance and Home Affairs ministries are by far the biggest job lures for graduates of the Tokyo University Law School who have passed the senior grade test of the civil service examination.

How long has the situation been like this? The career elitists, after joining the Home Affairs Ministry, are in turn leased out to prefectural governments where they work

in key posts. There are about 170 such Home Affairs Ministry workers on lease to local governments constantly at all times of the year. This is exactly the way the Ministry of the Interior planted its influence in local governments. It should be a challenging assignment for young elitists to come into direct contact with local citizenry and handle the p's and q's of local administration. But it would be less than cricket for these young people to insist that they are down at the nitties and gritties of local government because the work thrills them. They should be aware that, by working this way, they are unmistakably on a path that will ultimately lead them into vice governorship and then election for governorship.

I am surprised as well as let down by the unchanging simplistic thought trend of the graduates of the Tokyo University Law School, which is nothing but mindless aspiration to climb the social pyramid. We hear about the changing concept of values. Young people, I had thought, choose their career on their own and different concept of values, and that the careers chosen are as diversified as their individual value concepts. Nothing of this sort has happened to the students of the Tokyo University Law School. Their concept of values has never changed. They unanimously aim either at entering the Finance Ministry, hoping to be ultimately planted in the directorship of a big bank or business corporation, or entering the Home Affairs Ministry, hoping to run for governorship at the end of their career at the ministry. This is the mentality of the A-grade students of the Tokyo University Law School. And the situation is back to the old days with the Finance Ministry and the Home Affairs Ministry

being the top drawing powers for these young things with strong tropism for social advance.

Conduit Role

Why do prefectural governments keep so many as 170 Home Affairs Ministry workers on lease around the year? It is certainly not out of the prefectural governments' kindness to the leased workers to let them learn local administration first hand. Are the prefectural governments so short on worker talent that they need imports from the Home Affairs Ministry? Certainly not. The local administrations must expect the ministry-leased workers to be their conduit pipelines to the central government, politically and financially. The importance of the conduit role has been demonstrated by the presence of 19 ex-bureaucrats of the Interior and Home Affairs ministries among the prefectural governors. This must be a very favorable climate not only for the Home Affairs Ministry but also for the Liberal-Democratic government. The party's regaining the Tokyo and Osaka governorships in the latest election must have increased its self-confidence. Already, there are talks of a general election being scheduled for this autumn.

But almost all the ex-bureaucrats elected to governorship were backed jointly by the Liberal-Democratic Party and its middle-of-the-road allies. If they were elected on a single Liberal-Democratic ticket against candidates backed either separately or jointly by opposition parties, the Liberal-Democrats certainly have reason to look forward to a general election any time they want. The fact is, however, that they could not have been possibly elected without help

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from the centrists. In this situation, the Liberal-Democrats cannot afford to be so sanguine about having an election around this time.

Communist Gains

In an election of the House of Representatives, the middle-of-the-roads will not be backing Liberal-Democratic candidates. Each party will be fielding its own candidates. It is where the real strength of each party will show. The strength of individual parties is better represented in the election of 44 prefectural assemblies and eight city assemblies that was held simultaneously with the gubernatorial election. As of April 9, the Liberal-Democrats lost 31 seats in the prefectural assemblies. The loss of 31 may not be significant when the party still retains 1,406 seats. A loss is a loss, nevertheless. Two centrist parties—the Democratic Socialist Party and Komeito—retained their pre-election strength. The Communists made a notable gain of 28 seats, a 30 percent increase. In eight city assembly elections, the party increased seven seats.

In allied campaigns of gubernatorial elections, victories are no proof of increased strength for any one of the allies. Which party is on the rise

and which on the wane shows through the election of prefectural and city assemblymen. And the Communists are the ones that are coming up. Of course, the trend in local elections will not be reflected directly in a national election. Other factors come into election of Diet members. Even allowing for such factors, the Liberal-Democrats can hardly be regarded as picking up. How can they look so joyously forward to an election at this time?

The real loser in the last election was the Socialist Party. It lost four seats in the eight city assemblies and 17 in the election of 44 prefectural assemblies. Still, all this loss was less than anticipated before the election. The biggest opposition party seems to continue its slide.

The party does not have to be overly worried about its defeat in the Tokyo gubernatorial election. It was a losing fight from the beginning. Instead, the party should work out a new strategy to deal with the increasing trend of the centrist Komeito and Democratic Socialist Party to side up to the Liberal-Democrats. The Socialists may themselves turn centrists to neutralize the polling edge that the Komeito and Democratic Socialist Party have for being a middle-of-the-road presence.

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JAPAN COMMUNIST PARTY GREETES KNUFNS ON KAMPUCHEAN NATIONAL DAY

Tokyo JPS in English 0908 GMT 17 Apr 79 OW

[Text] Tokyo, 17 Apr (JPS)--On the occasion of the national day of the People's Rêpublic of Cambodia on April 17 the Japanese Communist Party Central Committee sent a congratulatory message to the Central Committee of the National United Front for Salvation of Cambodia.

The message says: "The Cambodian people, rallying around the National United Front for Salvation of Cambodia, overthrew last January the autocratic rule by the atrocious and antipeople Pol Pot regime and established the People's Republic of Cambodia, upholding the banner of genuine independence, sovereignty, neutrality and nonalignment, thus opening up a new era in the history of the Cambodian people.

"We earnestly hope that you will achieve great success in your cause, by overcoming every difficulty, for the reconstruction of the national economy and culture, the establishment of freedom and democratic rights, and for advance in the line of national self-determination, international solidarity and peaceful coexistence.

"We hope that internationalist solidarity between the Japanese Communist Party and the National United Front for Salvation of Cambodia and Friendship between the Japanese people and the Cambodian people will be developed continuously."

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'AKAHATA' HITS WAR CRIMINALS ENSHRINEMENT, OHIRA SHRINE VISIT

Tokyo JPS in English 0935 GMT 20 Apr 79 OW

[Excerpt] Tokyo, 20 Apr (JPS)--On the secret enshrinement of 14 class-A war criminals, including Hideki Tojo, in Yasukuni shrine in Tokyo last autumn, together with 2,400,000 war dead in the Pacific war and other wars, AKAHATA carried a report on its front page on April 20. The report said:

The enshrinement "means an approval of the past war of aggression, and acquits the responsibilities of the war criminals. We must pay attention to this fact as a reflection of the recent political reaction.

"What is especially serious is that Prime Minister Masayoshi Ohira, who professes to be a non-church Christian, said that he will visit Yasukuni shrine on April 21, clearly contradicting his own religious stand and violating the principle of separation of religion and government stipulated in the constitution. Even after the grave truth came to light that Yasukuni shrine has enshrined Tojo and other class-A war criminals, Prime Minister Ohira becomes defiant and says he will visit the shrine anyway, saying "criticism of my visit should be left to those who utilize me." [as received] No room has been left for doubt any more that Prime Minister Ohira follows the reactionary line of the previous Fukuda government, and stands at the forefront for the promotion of it."

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'YOMIURI' RAPS ENSHRINEMENT OF JAPANESE WAR CRIMINALS

Tokyo THE DAILY YOMIURI in English 20 Apr 79 p 2 OW

[Editorial: "Honoring War Criminals"]

[Text] It was disclosed Thursday that 14 men who were tried as class-A war criminals by the Far East Military Tribunal after the Pacific war, including wartime Prime Minister General Hideki Tojo, have been enshrined in the Yasukuni shrine in Tokyo, which is dedicated to the war dead.

Considering that war is the greatest crime of mankind, this is highly regrettable.

Religious institutions do, or course, have the freedom to enshrine any deity or deceased person they choose, but still we should ask ourselves whether the Yasukuni shrine should have enshrined these 14 men.

It has not been proved beyond a shadow of a doubt that they did commit war crimes, but they are generally believed to have been the men most responsible for the war.

'Martyrs of Showa'

The Yasukuni shrine chose to enshrine the 14 men as "Martyrs of Showa (the reign of the current emperor)," along with the men who fought and died in the war, without asking the relatives of either the 14 men or the other war dead what they thought about it.

We suspect the shrine staff were not sure that the bereaved families of the 14 men and the war dead would agree.

This event is related to the moves to place the shrine under the protection of the government again, the Shinto religion having played a special role in prewar days as a sort of state religion.

The principle of separation of politics and religion should be guarded vigilantly, however, and for this reason we have repeatedly opposed any more to put the shrine under the protection or support of the government.

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Ominous Sign

The staff at the shrine and many other people might think it quite natural to enshrine these 14 men at Yasukuni, but to us it looks like an ominous sign indicating a renewed tie-up between the shrine and nationalism based on Shinto.

Nobody wants to believe that their loved ones died for nothing, but the fact that the bereaved families of the war dead visit Yasujuni shrine and offer prayer does not mean that they approve of the war.

Since the days of Prime Minister Takio Miki, successive premiers have visited the shrine in the capacity of private citizens. Prime Minister Ohira reportedly plans to visit the shrine on Saturday.

The government and the Liberal-Democratic Party (LDP) are trying to restore the ERA name system based on the emperor's reign.

These attempts to turn the clock back to prewar days fill us with anxiety.

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POLITICAL AND SOCIOLOGICAL

JCP'S NISHIZAWA, LCY'S VLASKALIC HOLD TALKS

Tokyo JPS in English 0915 GMT 12 Apr 79 OW

[Text] Tokyo, 12 Apr (JPS)--Tomio Nishizawa, vice chairman of the Presidium of the Japanese Communist Party, on April 10, in continuation from the previous day, held talks with Tihomir Vlaskalic, member of the Presidium of the League of Communists of Yugoslavia (chairman of the Central Committee of the League of Communists of Serbia). The talks centered on an exchange of views on the internal situation and party activities in both countries.

Vice chairman Nishizawa talked about the results of the first half of the simultaneous local elections in Japan, especially on the JCP's advances in the prefectural assembly elections, and explained the reactionary trend in Japanese politics, the alliance of the conservatives with the Centrist forces, moves of the Japan Socialist Party, the Japanese economic situation and party activities.

Presidium member Vlaskalic referred to the internal situation in Yugoslavia and explained the recent activities of the league, including the tasks for the stability of the economy, development of the representative system, and strengthening of the role of the LCY to achieve those tasks.

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POLITICAL AND SOCIOLOGICAL

OKINAWA DEVELOPMENT AGENCY TO START SURVEY ON SENKAKU ISLANDS

Tokyo ASAHI SHIMBUN in Japanese 16 Apr 79 morning edition p 3 OW

[Text] The Okinawa Development Agency [ODA] will begin a basic survey of the Senkaku Islands in May to work out a plan for their effective development and utilization. The survey will represent the first government undertaking since Chinese fishing boats intruded into the coastal waters of the Senkaku Islands 1 year ago. Based on the data to be collected by the survey, the government plans to spend several years to map out a blueprint for the development of the islands. Some of the government officials and Liberal Democratic Party members still have the deep-seated notion that permanent facilities should be built on the islands to establish Japan's practical rule over them.

Due to the strong request of Ishigaki City in Okinawa Prefecture right after the incident involving the Chinese fishing boats, an amount of 30 million yen has been earmarked in the 1979 fiscal budget to carry out the survey. After the 1-year survey of the ocean currents, winds, waves, weather, and other natural conditions in the area, the ODA will conclude how the islands should be developed.

As to what steps should be taken after the survey, the Foreign Ministry seems to have a rather discreet view. The ministry authorities say: "The Senkaku Islands are practically under Japan's rule now and the development survey is purely a domestic affair; therefore, it is unnecessary to hastily build structures to symbolize Japan's practical rule over the islands."

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POLITICAL AND SOCIOLOGICAL

'MAINICHI' COMMENTS ON TOKYO TRADE NEGOTIATIONS

Tokyo MAINICHI DAILY NEWS in English 15 Apr 79 p 2 OW

[Editorial: "Future of Tokyo Round"]

[Text] After five and a half years of marathon bargaining, the Tokyo Round of multilateral trade negotiations has been finalized with major trading countries initialing a set of agreements designed to govern world trade in the coming decade.

The package was initialed by several East European and developing countries as well as most industrial nations, including the United States, Canada, Japan, the European Common Market, Austria, Switzerland, the Scandinavian nations, Australia and New Zealand. Most of the developing states, however, refused to initial the pact.

The Tokyo Round, so called because it got underway at a ministerial meeting of the General Agreement on Tariffs and Trade in Tokyo in September, 1973 aimed at reconstructing the world economic order then torn asunder by various economic impacts including the Nixon shock.

It may be highly arguable whether or not the current package has lived up to the spirit of the Tokyo declaration, which called for improvement of life and welfare through expansion and liberalization of world trade. At least several important issues have been left unsettled for negotiations at a later date, including international codes concerning safeguards protecting domestic industries from imports.

The Tokyo Round was initiated against the background of a long drawn-out world recession touched off by the oil crisis immediately after the Tokyo Declaration, and at a time when protectionist moves are gaining momentum in various countries. In this regard, the package should be considered highly valuable in that it may serve a role in slowing the trend toward a shrinking world trade scale.

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An agreement is only an agreement. The question is to what extent the signatory countries are determined to take joint action on the basis of the agreement. It goes without saying that their actions will hold the key to the future of the world economic order in the 1980's.

The world economic environment surrounding such "joint action" is extremely grim. No optimism is warranted at this stage. The zigzag negotiations of the Tokyo Round, as witnessed during the past years, reflected obvious structural changes in the world economy. Those concrete measures taken by countries concerned, to cope with structural changes, indicate difficulties ahead--as is evidence by the ever-mounting economic friction between Japan and the United States as well as between Japan and Europe.

The structural changes in the world economy were caused by the relative downward curve of the U.S. economy, and an increased trend toward diversified polarization.

The world economy increased in interdependency, in line with the progress of multipolarization. There are far too many problems for one country alone to be able to settle.

It is certainly a very difficult task to make respective national interests compatible with the idea of cooperation within the framework of multipolarization, and to build up a system of international division for the next decade.

The present floating exchange system is a byproduct of the decline of the dollar, or the U.S. economy for that matter, and there is a limit to expanding trade scale by tariff cuts under the floating system. It is small wonder attention at the Tokyo Round was focused on the easing of so-called nontariff barriers, such as government procurement and import procedures, rather than on reduction of tariffs.

Since the agreement called for reduction of nontariff barriers, the countries concerned will be obliged to probe their own domestic industrial systems. In the course of the adjustment they may encounter difficult problems of how to avoid a frontal clash with national interest. The terms of the Tokyo Round could be used to justify trade protectionism, depending upon the circumstances of actual implementation.

The Tokyo Summit scheduled for this June will consider world trade since the Tokyo Round, but Japan will be one of the greatest beneficiaries of the world trade system based on the GATT. This country must strive to work out best possible measures for coping with industrial structural changes.

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POLITICAL AND SOCIOLOGICAL

'YOMIURI' COMMENTS ON GENEVA TRADE TALKS

Tokyo THE DAILY YOMIURI in English 13 Apr 79 p 2 OW

[Editorial: "Toward Free Trade"]

[Text] At last, a package agreement completing the Tokyo Round of multinational trade talks was initialed in Geneva Thursday, about six years after the talks began, so the rules governing world trade in the 1980s have now been set.

This does not mean, however, that all problems have been solved, and a constant battle against protectionism is to be expected.

The Tokyo Round, aimed at raising living standards and welfare throughout the world, started in September 1973.

This oil crisis soon after caused stagnation in many countries and suspension of the talks until progress began again in January last year.

A further deadlock occurred, however, because of the negative attitude of the European Communities (EC), and the agreement still falls short of what was originally aimed at.

Reduced Nontariff Barriers

The agreement to reduce tariffs by slightly less than 30 percent is being hailed as the main feature of the package, but this is not really so important considering that the market prices of goods fluctuate greatly under the floating exchange rate system.

The really important part of the agreement is that calling for a reduction of nontariff barriers, for it is this that will make world trade free.

Even this section does not go far enough, especially with the trend toward protectionism against the so-called more developed of the developing countries, which can be expected to go all out to break their way into world markets during the 1980s.

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The EC has called strongly for selective safeguards or emergency restrictions directed against specific countries with this problem in mind.

Oil Price Rise Danger

The EC's proposals were not accepted because of objections from other advanced countries and the developing nations, but it was decided to discuss this issue further, and the EC did declare that it would impose such import restrictions whenever necessary even if this was not officially accepted internationally.

There is also the danger that some parts of the agreement will be used by some countries to protect their own domestic industries.

Moreover, if oil prices continue to rise, this might break the balance between the developed and the developing countries' economies and accelerate protectionism.

The countries which will benefit most from free world trade are Japan and the more developed developing countries, a number of which are near Japan.

Japan should now deal with two major problems--government procurement from foreign producers and the advancement of the dates for the tariff cuts--not merely to ease the trade friction between Japan and the U.S. but for the sake of Japan's real national interests.

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ECONOMIC

NTT RESISTS 'POLITICAL PRESSURE'

Competitive International Bidding Unwanted

Tokyo NIHON KEIZAI SHINBUN in Japanese 13 Feb 79 p 10

[Text] In the fall of 1973 the so-called multilateral trade negotiations of the GATT Tokyo Round began. The original target date for conclusion of the negotiations was sometime in 1975; but, because of many points of conflict between Japan and America, Japan and the EC and America and the EC, the negotiations encountered difficulty upon difficulty and have already extended over more than 5 years.

Expansion of world trade, cooperation of the advanced countries in the economic development of moderately advanced and developing countries, and removal of obstacles to these ends are extremely meaningful items to global prosperity on a larger scale. These negotiations have proceeded to deal with government procurement as one of the measures toward such ends with the idea that the various governments will procure items which they purchase through competitive international bidding. The negotiations, however, ran into a deadlock and a serious problem arose which involves the future of Japan's telephone system.

This problem is the strong American demand that in order to improve the imbalance in Japan's trade, Japan include government related agencies, in addition to the government, in a broad range of international competitive bidding and, accordingly, that NTT procurement be opened to international competitive bidding.

We apologize for bringing you this disturbing news so soon after the holidays.

In combined efforts with NTT, the member countries of the Telecommunication Machine Industry Association and the Telecommunication Cable and Other Related Industries Association have developed Japan's electronic communication system. This giant system which covers the entire country demands highly specialized operation with machinery planned according to consistent concepts, standardized norms, efficiency to guarantee long-term stability and so forth. These requirements, however, would be extremely difficult to meet under competitive international bidding.

日本の電話が危機に立たされています。
Japanese telephone system is in danger.

困
だ
る

We are in trouble!

国民の電話を守るために、私たちは皆さまの正しい判断を期待します。
In order to protect our citizen's telephone, we expect your sound judgment.

Telecommunication Machine Industry Association
↓
通信機械工業会

Telecommunication Cable and Wire Industries Association
↓
通信電線材料協会

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If procurement were carried out through competitive international bidding, many types of equipment of different composition, manufacture and design concept would be mixed together and the efficiency of design, construction and all other services, particularly maintenance operations would decline conspicuously. Furthermore, there would be problems such as extended payment dates and lowered quality with the result that the electronic communications system would become run down and it would be impossible to maintain the service which the people expect, or in the long run service costs would rise. Incidentally, procurement methods similar to Japan's have been adopted everywhere in the advanced countries. Procurement in the EC countries is by private contract and the same is true in the United States where there are private telephone corporations. This is because telecommunications is a very important service for the people and this is the only way to keep a national telecommunications system always in the best condition.

The American demand can be called an unreasonable order which would force Japan alone to accept a method which is not used by advanced countries.

Certainly, the balance of trade between Japan and the United States is a problem.

Our industries want to cooperate even at the cost of making some sacrifice. Even so, to invite the collapse of the telecommunications system which could be called the nation's central nervous system would be too much of a sacrifice. How much worse would it be if this were to lead to the decline of the electronics industry which should be nurtured as one of Japan's core industries in the 1980's, 1990's and into the 21st century.

Japan's telecommunications system is now at the world's highest level. If parts which are difficult to adapt are later incorporated into this unified and completed system, the harmony of the system will be damaged and it will be impossible to make full use of the efficiency which is manifest only with integrity of the system.

Furthermore, production planning would become difficult because of competitive international bidding and, as a result, employment would become unstable and this would have a great effect on the national livelihood. Furthermore, the will to invest in research where there is no certainty of a return would be reduced. This would invite a decline in the level of technology and would shake the foundations of the developing electronics industry.

In March the entire national telephone system will be automated; that is, at any time, from any place, to any place, it will be possible to reach any corner of the country by dialing. The telephone system which had only 540,000 subscribers at the end of the war has developed to the point where it has 6 million subscribers and, of course, installation can be done immediately upon request. The progress and amplification of the

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Japanese telecommunications system are shown by the fact that our daily lives are supported to a great extent by the telephone and that it is possible to relay television over national networks.

Our two industries are keenly aware of our responsibility to further amplify and develop the telecommunications system on behalf of the people. We sincerely hope for a prompt, sensible decision on the part of the United States and Japanese governments and, at the same time, we ask for the understanding of you, the people of Japan.

We are in trouble.

We rely on your sound judgment to protect our people's telephone system.

Telecommunication Machine Industry Association
8th Floor Sankei Bldg Annex
1-7-2 Obte-Machi Chyoda-Ku
Tokyo 100
Tel: 03 (231) 3156

Telecommunication Cable and Other Relations Industries Association
3d Floor Toranomon Bldg
1-1-12 Toranomon, Minato-Ku
Tokyo 105
Tel: 03 (504) 3481

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Danger to Subcontractors

Tokyo SHUKAN SHINCHO in Japanese 1 Mar 79 p 19

[Text] A rather strange full page ad bearing the words, "We are in trouble," in extremely large print appeared in the morning edition of six nationally circulated newspapers on 13 March. In the corner of the page was a small print explanation which said, "Japan's telephone system is in danger." The sponsors of the ad were the Telecommunication Machine Industry Association and the Telecommunication Cable and Other Related Industries Association.

These are not familiar names but upon closer reading it turns out that these are groups of subcontractors for NTT and their message is "The United States tells us to open equipment for NTT to competitive international bidding. For us this is a life or death issue. Some of the 320 subcontractor companies would probably go bankrupt, Efficiency will decline and service costs will increase."

Reading between the lines it seems, in short, that if there were free competition those businesses which so far have been idling along with a "let the government foot the bill" attitude would be in danger,

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The word is that the cost of this ad was "100 million yen" and a knowledgeable source tells us, "At one time the beef and orange industries tried to block liberalization and were treated like traitors by the mass media. When business made its countermove, the papers which had made the attacks continued to take an ambiguous attitude. NTT struck first before similar charges were made against NTT."

Certainly, the ad seems to have been effective. Although it is still early to say, the little editorializing in the various papers seems to have tended to favor NTT.

On the other hand, it seems that in the United States, which is calling for "liberalization," IBM, which wants to liberalize computers, is behind the stage pulling the strings. If it is impossible to liberalize computers then the tactic is to take a slightly roundabout way and use parts for NTT as an opening. The reading is that NTT which is a semi-official, semi-private entity, will have to take orders from the Japanese Government which is distressed over friction between Japan and the United States.

The question is whether or not they will be able to carry things off according to their intentions. The biggest reason for concern is that Prime Minister Ohira has no "present" to carry with him to the United States.

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Equipment Procurement Issue

Tokyo SHUKAN SHINCHO in Japanese 8 Mar 79 p 27

[Text] "Whatever may be done in the case of telecommunications machinery, a firm decision should be made to liberalize at least a part of telecommunications cables and service parts." This statement was made in the economic ministerial level conference which met on 12 February and executives of the telecommunications cable industry seemed to have virtually leapt up in astonishment at what went on in that conference. The issue of releasing NTT's equipment procurement had been regarded as a symbol of the friction in Japanese-United States trade. Whatever might have been the reaction to making telecommunications cable alone the prime target of this move, business seems to have been taken aback by the idea of telecommunications cable being given the same treatment as service parts.

The business people spent 100 million yen on the large advertisement which said that they are in trouble and so forth; it can be considered only natural that business' discomfiture would become more intense as the issue becomes more specific. If, however, telecommunications cable were imported from the United States and, as a result, telephone bills were to go down, the people would not be bothered a bit. On the contrary, it would be a matter of at least benefitting in telephone service now that good beef and oranges have finally proved out of reach.

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Secretary General Mitsutake Kumamoto of the Telecommunication Cable and Other Related Industries Association says this: "Which is cheaper United States or Japanese cable? Since neither the United States nor any of the other countries which are able to build their own communications networks hold competitive bidding, there is, in any case, no way to compare prices. However, hardly any electrical cable for power transmission or home use comes into Japan. Furthermore, since we are on nearly equal footing in international bidding in developing countries even though the high yen is a disadvantage, their cable is probably not cheaper than ours. Since freight charges would have to be added to the cost of their cable, we would probably not lose out even with competitive bidding."

With such self confidence there should not be any great uproar. Could the outcry be due to a "business ego" which is unwilling to change the current situation in which the industry is immersed in the warm bath of the "NTT family?"

"No, we speak in simple terms of electronic cable but among the items of high additional value in which the United States is interested is know-how; i.e., industrial secrets. If the United States is allowed to participate in bidding, we will have to publicize detailed methods concerning tools for copper refining, etc., in order to have the United States make cable for Japan. Ultimately, technology on which Japan has spent money would flow out of Japan. In this process Japan would be learning nothing from the United States. Consequently, only the United States' level of technology would go up. Japan's industry would lose out in competition overseas and then in Japan. In the end the industry would be ruined. But, it would be fine if all the countries in the world were to have competitive bidding." (Mr Kumamoto)

If this is the case with telecommunications cable, one can probably conjecture what would be the case with other telecommunication equipment.

Of course, it is probably undeniable that one of the reasons NTT will adamantly resist opening up the door is that NTT has in mind the preservation of the "NTT family" where people from NTT can be placed. Nevertheless, since it is the United States which is making this unreasonable demand, how is the Japanese Government to respond to it?

An expert in economics gives this explanation.

"Opening up NTT is one of America's demands, but it is not so strong a demand. It is being taken up on a grand scale because of the "family situation" on the Japanese side. The items of greatest interest for the United States are beef and oranges on which a tentative compromise was reached but this left a great deal of dissatisfaction in the United States. For success in the Tokyo Round and for Prime Minister Ohira's trip to the United States before the end of the round, Japan needs some sort of "present." However, since the "beef and orange farmers" cannot be angered before the unified local elections and the House of Councillors election, NTT has been taken up."

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"The NTT family" is being made the scape goat to protect the "beef and orange farmers." How many sacrifices will these unusually privileged farmers require in the future?

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Fear of Unemployment

Tokyo NIHON KEIZAI SHINBUN in Japanese 22 Feb 79 p 3

[Text] Since the war many Japanese organizations and groups have become known all over the world. Some of these are the General Council of Trade Unions of Japan, the National Federation of Student Self-Government Associations, the Agricultural Cooperatives, MITI (The Ministry of International Trade and Industry) which until recently was opposed to liberalization of imports. The Japanese Red Army is also famous and now NTT (Nippon Telegraph and Telephone Public Corporation) has become thoroughly famous. At any rate, because President Akigusa and other NTT executives have said publicly that "the only things they can buy overseas are mops and buckets" they have fallen into the villain's role and have been sharply attacked in a United States Congressional report on Japanese-American Trade (The Jones Report).

Dissatisfied with Japan's heavy surplus balance, the United States is using NTT instead of the beef and oranges it had been using until only recently as the symbol of the closed nature of Japan's market and is pressing for liberalization of equipment procurement. Prime Minister Ohira and other government leaders tend to think with the prime minister's visit to the United States coming up in May some compromise will have to be made but resistance from NTT is strong. There are, of course, some fairly convincing points in what the corporation says.

Some of the corporation's counter arguments are: "When we introduce telecommunications equipment we develop this equipment in conjunction with domestic manufacturers from the research stage on. If we were to change from the current private contract method to competitive bidding we would be forced to make public detailed manufacturing methods and know-how would flow out to foreign countries."

"Japan's telephone service boasts the lowest breakdown rate in the world. This is because we even go into the factories to make our checks. Such stringent checks would not be possible in foreign firms."

The situation, however, is too complicated to have the United States understand these excuses from NTT. Besides, there have been some weaknesses in the corporation's handling of the matter; the export promotion delegation, the group of United States Congressmen and the people from the United States Government who have visited Japan on this matter since last autumn were received in such a way that they were left hanging. Thus, the persistent thinking within the government is that whatever else may be said, the corporation's best counter-argument is that the 200 companies

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in the "NTT family" are probably in danger in that they "will be overcome by United States manufacturers who are strong competitors in computers and these other fields."

To back up their view, labor unions such as the All Japan Telecommunications Workers Union, the All Japan Federation of Electric Machine Workers' Union and the All Japan Electric Wire Labor Union stand ready to form an opposition front on the grounds that "capital orders from NTT account for 30 percent of the total sales of the 200 manufacturers specializing in electronic cable and machinery; if this were grabbed by foreign firms a problem of employment of 620,000 workers would develop."

However, to make this "fear of unemployment" a reason for keeping Japan closed as far as NTT is concerned would give the United States an excuse for import restriction against Japan. Even without this excuse, because of the trade deficit with Japan there are growing demands within the United States Congress for an import surcharge against countries showing a trade surplus. Government representative for the Tokyo Round (of multilateral trade negotiations) says, "If the NTT issue is straightened out, the Tokyo Round will somehow be settled." If the Tokyo Round can be brought to a conclusion, it may be possible to avoid what the government leaders are secretly worried about, i.e., a movement in the United States Congress to legislate an import surcharge prior to the Tokyo Summit (conference of the leaders of the advanced countries). If debate on a bill to assess import surcharges against Japan, West Germany and Switzerland begins before the Tokyo Summit, the conference would be under an oppressive atmosphere and there would be no chance of success.

From this point of view, it is desirable for Japan's economy as a whole that friction in Japanese-American trade be kept to a minimum by making NTT's procurement of machinery as open as possible. Nevertheless, friction in Japanese-American trade relations will probably not disappear even if the NTT question is settled. Even if NTT were to buy from the United States 10 percent of the nearly \$3 billion worth of equipment it procures annually, this would come only to \$30 million and this would be only a drop in the bucket in light of the total trade imbalance (the United States deficit in trade with Japan last year was \$11.6 billion). Judging from the difference in productivity, the difference in efforts to export and the relationship between growth rates and exports in United States and Japanese industry, Japan's surplus trade balance can be viewed as "structural" and the surplus will continue in the near future even if the surplus in the ordinary balance declines somewhat. The United States also sees its trade deficit with Japan as "structural" and looks for its causes in Japan's "unfair trade" and insufficient efforts to cooperate overseas. Consequently, the United States will press for increasing the Japanese growth rate and changing Japan's system and practices. Our side's real inclination is to reply that "we are distressed that the United States will not accept the fact that the surplus will continue."

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If stated clumsily, this unfair trade argument and this demand that the surplus be accepted can only lead to anti-American and anti-Japanese feelings. For this reason, careful handling of the issue is important. Japan in particular makes relations with the United States the pivotal consideration in foreign policy and must give special consideration to maintaining the Japan-United States security system. Japan, therefore, should hasten to build a balanced system by responding flexibly to individual requests and compensating with direct investment (exporting employment) when the surplus exports unemployment.

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Rumors on U.S. Intent

Tokyo NIKKEI BUSINESS in Japanese 12 Mar 79 p 74

[Text] The current point of focus in the attempt to avoid economic friction between Japan and the United States is the question of opening up NTT in which it is demanded that NTT admit foreign firms to participation when the corporation procures equipment. From the technological point of view, however, most business people feel that "there is little equipment which NTT can import."

NTT's yearly capital procurement comes to about 600 billion yen. Out of this 200 billion yen is spent for high technology intensive products such as electronic switching equipment and coaxial cable with a life span of 20 to 40 years. The level of Japanese technology in this field is very high and only a handful of the largest American companies, such as AT and T can contend with the four giant communications firms Nihon Denki, Hitachi Seisakujo, Fukitsu and Oki Denki. Since, however, the large American communications manufacturers have no intention of coming into Japan, there can be no equipment imports.

Even in the case of types of equipment which belongs technologically in the second rank, it seems that Japanese firms would win out if NTT were to implement competitive bidding. In the field of public pay telephones, for example, one firm, Tamura Denki Seisakujo says, "We are the firm that controls the Third World markets, such as Southeast Asia." Ultimately what Japan can import can be narrowed down to telecommunications cable and some terminal items such as in-house switching equipment and telex which are employed at the user's end of the system. Even for these items it seems the precondition would be "if the American firms sell cheaply to gain a market." For example, NTT showed a liberal attitude toward introduction of the pocket bell on which the American Motorola mounted a sales campaign.

Nevertheless, even if these items, with their small scale markets, are combined they would not be of too much use in reducing the surplus in Japan's international balance.

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What then is the real intention of the United States in calling for "liberalizing NTT?" A convincing view is that the intention is to "delay the progress of Japan's semiconductor technology." At the heart of the Japanese-United States semiconductor war is development and practical application of ultra-LSI and it is none other than NTT which, along with the Ministry of International Trade and Industry, is taking the initiative in development on the Japanese side. The interpretation is that the United States side's strategy is to try to obtain NTT's technology or, otherwise, to weaken the solidarity of the NTT group through liberalization.

Another persistently circulating rumor is the "story of the IMB plot." In the United States there is growing sharp competition between IBM and AT and T over computer networks. According to the rumor, since IBM is behind AT and T in communications technology, IBM wants to obtain advanced communications technology from NTT which has a record of cross-licensing with AT and T and IMB has therefore worked politically to liberalize NTT.

The telephone companies of Europe and America rely on domestic procurement for almost all of their equipment. Their main reason for this is to retain their technology; in puzzlement, NTT asks, "Why should Japan alone..." Some are saying that perhaps the United States aims to liberalize communications circuits.

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SCIENCE AND TECHNOLOGY

DISSATISFACTION WITH JAPAN-U.S. ENERGY DEVELOPMENT EXPRESSED

Tokyo KAGAKU in Japanese Vol 49 No 2, Feb 79 p 127

[Science Times column: "Whither Japan-U.S. Science and Technology Cooperation"]

[Text] The future of Japan-U.S. science and technology cooperation, which began with the advocacy of former Prime Minister Fukuda, has become uncertain with the change in political power. Prime Minister Ohira, holding off on the detailed previous arrangements of secretariat officials from both countries, has assumed a cautious attitude toward its continuation because originally the cooperation question was decided politically and because it has too much of Fukuda's hand in it.

When visiting the United States in May last year, Prime Minister Fukuda announced his concept for Japan-U.S. science and technology cooperation at the Japan Club in New York. The prime minister had two things in mind: first of all, nuclear fusion for energy development in the 21st century, and secondly, hydrogen utilization from photosynthesis. However, last summer, at the official level negotiations, the U.S. brought up only energy technology for this century, such as coal liquefaction, geothermal energy and wind power generation. What each country was asking was completely contrary to the other; but, finally, both countries compromised, giving cooperative support to nuclear fusion and coal liquefaction. They decided concretely on the following three: 1) Japan will participate 25% in America's Gulf Oil Company's coal liquefaction technology, "SRC II;" 2) the U.S. will invest 25% in the Ministry of International Trade and Industry's (MITI) Agency of Industrial Science and Technology's "methods for direct storage of liquefied hydrogen" technology; 3) the U.S. and Japan will jointly invest 50% each in the remodeling plan of America's General Dynamics' nuclear fusion experimental equipment, "Doublet 3."

Among these, "SRC II" will require an extremely large amount of money; the total cost for the 5-7 year period is anticipated to total about 700 million dollars (130 billion yen). Japan and West Germany will each participate 25% to the U.S.'s 50%. But, the disadvantage is that "SRC II" will be able to use U.S. coal and West German coal, but not Japan's coal. MITI's explanation is that since Chinese coal and Australian coal can be used, it has signifi-

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cance as a resource diplomacy. But when "SRC II" is completed and plants are exported, it can be concluded that naturally Gulf, which has amassed the technology, will be in an unchallenged position. Actually, even though it is said that Japan will invest 25% (about 33 billion yen), Japan will not receive 25% of the completed technology since Japan's investment is for Nissan plants that have a proven output of 200,000 barrels and since Gulf is already piling up large sums of investment money in experimental plants and the like. Also, it was the U.S. and West Germany that first decided to cooperatively develop "SRC II;" Japan simply rode along. It can be said that Japan, which is in the black as far as trade goes, was artfully taken in. Until now, coal liquefaction was not considered seriously in Japan as one source of new energy. Nevertheless, this suddenly jumped to the forefront in Japan-U.S. science and technology cooperation. A question has arisen that this kind of policy change was decided without much discussion in this country.

Prime Minister Ohira has not yet clearly set forth a plan on this question. He wants to erase its Fukuda coloring, but it is difficult to do so openly. Inquiries have been sent to the government by the U.S. through its embassy; and progress is being watched.

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